



Energy Services Coalition

The Energy Services Coalition (ESC) is a national nonprofit organization composed of a network of experts from a wide range of organizations working together at the state and local level to increase energy efficiency and building upgrades through energy savings performance contracting.

Energy savings performance contracting enables building owners to use future energy savings to pay for up-front costs of energy-saving projects, eliminating the need to dip into capital budgets.

www.escperform.org
608-255-0988

STEP 2 Packet (Part 1 of 4)

Request for Qualifications/Proposals (RFQ/RFP) For Energy Performance Contracting Services

Part 1: Model Request for Qualifications/Proposals (RFQ/RFP) for Energy Performance Contracting Services

- Overview & Administrative Information
- Special Project Terms and Conditions
- Proposed Project Schedule
- ESCO Response
- Evaluation Criteria
- Guidelines for developing a technical facility profile
- Model Technical Energy Audit Contract
- Model Energy Performance Contract

Part 2: Supporting Letters

- RFP announcement, with fax-back request for RFP
- Cover letter for RFP
- Site visit registration letter with fax-back form
- Interview announcement letter with fax-back confirmation form

Part 3: Evaluation Forms

- Evaluation form for proposal or interview (for individual evaluators)
- Summary form of all scores Written Proposals

Part 4: Energy Service Companies (ESCOs) List

- See the ESC web site for a listing of ESCOs
- National Trade Associations



Energy Services Coalition

www.escperform.org



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RFQ/RFP FOR ENERGY PERFORMANCE CONTRACTING SERVICES OVERVIEW & NOTES

This RFQ/RFP is based on a number of documents that have been in use for over a decade to solicit energy performance contracting services. Participants in the Energy Services Coalition (ESC) refined it with special attention to government procurement and contracting requirements for such services.

Steps

- **RFQ/RFP**
 - Issue RFQ/RFP
 - Hold a site visit for interested ESCOs
 - Review written proposals and select top candidates
 - Interview top candidates (usually no more than 3)
 - Select ESCO
- **Audit Contract:** Contract with ESCO to conduct an investment grade energy audit
- **Performance Contract:** Contract with ESCO to implement projects through a performance contract

RFQ & RFP Requirements

- Check the ESC web site (www.escperform.org) for the latest version of the document.
- This model document functions as an RFP (Request for Proposals) under many government procurement codes, because it requests some minimal cost information (cost markups and cost of the audit) and includes evaluation of these costs in the selection process. Any greater level of cost information is inappropriate since the first step of the performance contracting process is for the ESCO to conduct an audit to identify the project scope and conduct a detailed cost analysis.
- For an RFQ (Request for Qualifications), delete the requests for cost markups and the cost of the audit in Attachments C (ESCO Response) & D (Evaluation Criteria).

Using this Model RFP/RFQ

- This model RFP is easy to customize it for your use. All the key areas to customize are marked in **<bold, blue italics>**. The last two attachments include the two model contracts that will be used for the Technical Energy Audit and for the Energy Performance Contract. The contracts can remain in the RFP as-is and do not need to be customized for use in this RFP.
 - The approach and requirements recommended by the Energy Services Coalition (ESC) are incorporated (ESC is a non-profit organization made up of government and industry professionals in energy performance contracting).
 - Recommendations, explanations and negotiating tips are included in blue italics and **<brackets>**.
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- The RFP is a sample document only and does not attempt to identify or address all circumstances or conditions you may encounter or desire. Consult your legal counsel and procurement staff to adapt it to meet your needs.
- Request an updated document, as changes or improvements are made regularly.

General

- Prior to issuing this RFP, it is important to have funds identified for temporary obligation during the Audit Contract stage. The Technical Energy Audit and Project Development Contract is a stand-alone contract to be followed by the Energy Performance Contract. The latter contract guarantees savings will pay for all project costs, including the cost of the audit. However, because the Audit Contract is initially a stand-alone contract, it will require funds in the amount of the audit cost (usually 8 to 10 cents per square foot) to be set-aside in order to pay for the cost of the audit unless and until the later energy performance contract can incorporate and pay for the audit costs.
 - It is tempting to develop a prescribed scope of work, detailing exactly what projects the ESCO should undertake in your facilities. This is not recommended, however, because it is very valuable to use the ESCO's technical expertise to help identify and assess the opportunities that are most cost-effective or most valuable for your facilities instead of pre-determining the scope.
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REQUEST FOR QUALIFICATIONS/PROPOSALS
for Energy Performance Contracting Services

for
<Customer Name>

<Date Issued>

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REQUEST FOR QUALIFICATIONS/PROPOSALS

Energy Performance Contracting Services for <Customer Name >

INTRODUCTION

<Customer – include complete name, and Board name if applicable> (hereinafter referred to as **Customer**) seeks proposals from interested Energy Services Companies (ESCOs) to conduct a technical energy audit of facilities and implement an Energy Performance Contract, in order to identify and implement capital improvements to reduce energy and related costs in facilities such that annual cost savings are applied to annual payments for improvements.

OVERVIEW

Customer seeks to maximize energy cost savings and related costs in order to pay for facility upgrades and services.

Services and capital improvements will be financed through an energy performance contract which:

- incurs no initial capital costs (with option for Customer to provide initial capital if desired)
- achieves significant long-term cost savings
- achieves a guarantee for cost savings (with Customer option to eliminate part or all of the guarantee after three years of guaranteed performance).
- maintains consistent and reasonable levels of occupant comfort
- maintains consistent levels of building functionality,
- captures additional benefits that may directly result from energy-related services and capital improvements, such as environmental protection, hazardous materials disposal or recycling, improved occupant comfort, reduced maintenance needs, improved indoor air quality, additional building improvements, etc.

The RFP and contracting process has four phases:

- RFP Phase: Through this RFP, an ESCO will be selected based on written proposals, interviews with top candidates and a final reference check.
- Audit and Project Development Phase: A Technical Energy Audit and Project Development Contract will be developed with the selected ESCO to define the project scope, cost and financial terms.
- Construction/Implementation/Financing Phase: Upon satisfactory results of the Technical Energy Audit, an Energy Performance Contract will be developed to implement the negotiated and recommended projects.
- Commissioning/Guarantee/Monitoring Phase: Upon completion of construction, the ESCO will offer a variety of services to ensure savings are met, such as a savings guarantee, staff training, follow-up monitoring, and contract maintenance services.

STATEMENT OF WORK

ESCO Services

<Note to Customer: It is tempting to develop a prescribed scope of work, detailing exactly what projects the ESCO should undertake in your facilities. This is not recommended, however, because it is very valuable to use the ESCO's technical expertise to help identify and assess the opportunities that are most cost-effective or most valuable for your facilities instead of pre-determining the scope.>

ESCO must have the demonstrated capability in engineering and management to provide a broad range of services. Services may include but are not limited to the following:

Audit and Project Development Phase

- technical energy audit to evaluate costs and savings of a variety of energy-saving measures
- project development plan including financial analysis

Construction/Implementation/Financing Phase

- design services
- equipment procurement and purchasing
- construction management
- hazardous waste disposal or recycling
- financing capability or ability to help find financing.

Commissioning/Guarantee/Monitoring Phase

- commissioning
- continuing operations and maintenance for all improvements
- staff training on routine maintenance and operation of systems
- training of occupants
- performance and cost guarantee of savings
- monitoring and verification for measurement and reporting of the performance and savings from improvements
- analysis and application for Energy Star Label
- monitoring and reporting of emissions reductions
- maintaining long-term, high-efficiency performance of buildings

ESCO must have the technical capability to address a broad range of systems including, but not limited to:

- Mechanical Systems. Heating, ventilating and air conditioning (HVAC) systems, energy management and control systems, domestic hot water systems, distribution systems, etc.
- Plants. Distribution systems, cogeneration systems, etc.
- Lighting systems. Indoor and outdoor lighting systems, lighting controls, daylighting strategies.
- Building envelope systems. Windows, insulation, weatherization, etc. (It is recognized that window replacements are rarely cost-effective, but could be considered as part of a comprehensive plan.)
- Specialty Systems: laundry equipment, kitchen equipment, pool systems, renewable energy systems.
- Water and Sewage Systems. automatic controls, low-flow faucet aerators, low-flow toilets, cooling tower modifications, pool covers, and irrigation system controls or modifications.

- Desired projects. *<Note to Customer: Identify any specific needs or desires that you think must be included in a performance contracting project, or projects that are of particular interest to you. Keep in mind that the ESCO should be given the flexibility to use its own expertise to determine a broad scope of work, so avoid using this section to pre-define the scope of work.>*

<Note to Customer: Delete items above that do not exist in the facilities.>

Buildings and Facilities

Facilities identified for this work are listed in **Attachment E: Technical Facility Profile**. Customer reserves the right to reduce the scope of work or conduct work in phases. Additional buildings and facilities, as also listed, may be included in the future under the same contract.” *<Note to Customer: List all buildings that are potential candidates for energy saving improvements, even if delayed for future work. You have your right to reduce the scope.>*

ADMINISTRATIVE INFORMATION

RFP Phase

Site Visit. A site meeting and tour of the facilities will be held prior to the proposal due date. Knowledgeable representatives will be available to answer questions about operation and maintenance practices, problems, concerns and future plans. Fill-out the **Site Visit Registration Form** in this RFP to register for the site visit and see more details.

The site visit is mandatory for all ESCOs who will later submit a proposal, because understanding of requirements and the technical approach will be evaluated in the proposal. All ESCOs will tour the facility at the same time so each ESCO hears all questions and answers. *<Note to Customer: The site visit could be optional, particularly for small projects or remote locations.>*

Review of Written Proposals. Proposals must be prepared as described in **Attachment C: ESCO Response**. An evaluation team will review and score written proposals based on the evaluation criteria identified in **Attachment D: Evaluation Criteria**. Based on the overall score, proposals within the competitive range will be identified.

Interviews. ESCOs with proposal scores in the competitive range will be interviewed by the project evaluation team. Interviews will be scored as described in **Attachment D: Evaluation Criteria**. The interview provides the opportunity for the ESCO to address questions and to more fully describe how the approach to this project satisfies the evaluation criteria. ESCO representatives at the interview should include individuals who will be *key* points of contact and have *major* responsibility for contract negotiation, engineering and design, construction management and follow-up monitoring. Each interview may be tape-recorded. Interview scores will be ranked and the top-ranking ESCO will be considered for award.

Final Selection. Final reference checks will be conducted with the apparent awardee (top-ranked ESCO) prior to making the final selection. An award will be made to the selected ESCO.

Audit and Project Development Phase

Technical Energy Audit and Project Development Contract. A Technical Energy Audit and Project Development Contract will be negotiated as presented in **Attachment F: Technical Energy Audit and Project Development Contract** (also see **Attachment A: Special Contract Terms and Conditions**).

Construction/Implementation/Financing Phase

Energy Performance Contract. Following successful completion of the Technical Energy Audit and Project Development Contract, an Energy Performance Contract will be negotiated to implement the projects, as given in **Attachment G: Energy Performance Contract** (also see **Attachment A: Special Contract Terms and Conditions**). Any or all performance contract agreements may be denied.

By submitting the proposal, ESCO agrees to:

Use the Technical Energy Audit and Project Development Contract (**Attachment F**) as the initial document for negotiating a contract including conforming to all applicable sections of **Attachment A: Special Contract Terms and Conditions**.

Use the Energy Performance Contract (**Attachment G**) as the initial document for negotiating a contract, including conforming to all applicable sections of **Attachment A: Special Contract Terms and Conditions**.

Other RFP Issues

<Note to Customer: Include your required procurement guidelines required by your Purchasing Department. >

FAX TO: *<Fax #>*
ATTENTION: *<Contact Name>*

SITE VISIT REGISTRATION
for ESCOs Responding to RFP for
<Customer>

<Customer> invites you to attend a tour of facilities prior to responding to the RFP for Energy Performance Contracting Services. This site visit is mandatory, because the ESCO's technical approach will be evaluated in the proposal.

DATE: *<Date of tour>*

TIME: *<Start time of tour>* to *<End time of tour>*

<Note to Customer: A 2-hour tour is sufficient to tour key buildings; not all buildings need to be visited at this time.>

LOCATION:

<Customer>

<Physical address>

<Directions:>

<Phone:>

All ESCOs will tour the facility at the same time so that all respondents will hear the same questions, comments and answers. NO FOLLOW-UP TOURS OR ALTERNATIVE DATES FOR TOURS WILL BE ALLOWED UNLESS OFFERED TO ALL RESPONDENTS.

<Note to Customer: only key or typical buildings need to be included for the ESCO's purpose of developing a proposal.>

_____ *Yes, I plan to attend the site visit.*

Today's Date: _____

Name: _____

Company Name: _____

Mailing Address: _____

Phone: _____ *Fax:* _____

E-mail Address: _____

ATTACHMENT A: SPECIAL CONTRACT TERMS AND CONDITIONS

Following are the special contract terms and conditions that will be an integral part of the subsequent contracts and are highlighted here to emphasize their importance. The contracts are included as templates only and may not yet incorporate all of the below requirements.

<Note to Customer: Include anything in this section that you want to highlight for the ESCO's attention, such as special requirements for your project.>

ENERGY AUDIT PHASE

Payment for Audit. If an energy performance contract is not developed after the audit has been accepted, Customer agrees to pay the cost of the audit as stated in the submitted proposal or as negotiated in the subsequent Technical Energy Audit and Project Development Contract.

Use of Stated Cost Markups. The individual cost markups disclosed in the proposal will be used in the Technical Energy Audit and Project Development Contract, provided the size and scope of the project remain similar. Cost markups presented in the proposal can be negotiated downward.

Cost Estimates. The technical audit must include estimates of savings for each measure each year. Also, the cost estimate for each measure must include an estimate of all costs including design, engineering, installation, maintenance, repairs and debt services as well as other categories presented in the stated cost markups in the RFP.

Allowable Payment Sources. Payment sources to support the capital investment payments are shown below.

The following payment sources will be allowed:

- Energy and water cost savings
- Material/commodity savings including avoided costs such as lamp and ballast replacements, scheduled replacement of parts, etc. (only for the years that these savings are applicable). *<Note: This category is often recommended to help increase the scope of work through added source of funds; thorough documentation and review is critical to ensure these anticipated savings are verifiable.>*
- Maintenance cost savings such as terminated service contracts on equipment.

During negotiations, Customer may consider savings to include the following:

- Labor cost savings, in-house. *<Note: This category is generally not advised unless staff are cut; otherwise budget savings are not achieved.>*
- Customer deferred maintenance cost
- Offset of future customer capital cost

The following savings will NOT be allowed for consideration:

<If any of the above items are absolutely non-negotiable, move to this section; otherwise delete this statement.>

At option of Customer, an equity cash outlay can supplement savings

RFP for Energy Performance Contracting Services

Attachment A: Special Contract Terms and Conditions

Any cost savings related to maintenance and operation of the facilities will be rigorously reviewed and, if agreed to, will be limited to those that can be thoroughly documented and approved.

Annual Savings Estimates: The utility and operational and maintenance cost savings for all measures must be estimated for each year during the contract period.

CONSTRUCTION/IMPLEMENTATION PHASE

Use of Stated Cost Markups. Cost markups provided in the proposal are the maximum markups to be used in the Energy Performance Contract, provided the size and scope of the project remain similar. Cost markups presented in the proposal can be negotiated downward.

Open Book Pricing. Open book pricing will be required, such that the ESCO will fully disclose all costs, including all costs of subcontractors and vendors. ESCO will maintain cost accounting records on authorized work performed under actual costs for labor and material, or other basis requiring accounting records. ESCO will provide access to records and preserve them for a period of three (3) years after final payment. Costs will be evaluated through price analysis to compare costs with reasonable criteria such as established catalog and market prices or historical prices. Cost markups will be clearly applied.

Equipment Compatibility or Standardization. All equipment installed that is comparable to similar equipment at the facility(ies), shall offer compatibility with existing systems, and/or be of the same manufacturer for standardization of equipment agency-wide, unless excepted by Customer. *<Note to Customer: Could include name of existing controls system, or a requirement for open systems or devices, if new controls systems will have to be compatible with an existing brand of controls.>*

COMMISSIONING/GUARANTEE/MONITORING PHASE

Contract Term. The desired contract term is 12 years or less, or up to 25 years provided the cost-weighted average lifetime of the equipment exceeds the contract term. *<Note to Government Customers: Check your statutes for term limit requirements.>*

Annual Appropriations. Annual payment is subject to annual appropriations.

Annual Savings Exceed Annual Costs. Actual savings for each year during the contract period shall exceed annual contract payments. Annual project costs include debt service, contractor fees, maintenance services, monitoring services, and other services.

Annual Guaranteed Cost Savings. A written annual guarantee will be provided for the first three years of the contract, such that the sum of utility cost savings and operation and maintenance cost savings for each year will equal or exceed the calculated annual savings and the amount of the annual payment. A guarantee may be required for a longer period up to the end of the contract term, however Customer reserves the option to eliminate the guarantee at any time.

Excess Savings. Annual cost savings beyond the guaranteed minimum savings will be retained by Customer, and will not be allocated to shortfalls in other years.

ATTACHMENT B: PROPOSED PROJECT SCHEDULE

The following schedule is the proposed schedule, and may change during the project.

<Note to Customer: Insert actual dates in the schedule, or change Week numbers. Adjust to meet your needs. Consider holiday or seasonal schedules if they are the best times for construction..>

ACTIVITY

DATE

RFP Phase

Issue RFP

Week 1

<Note to Customer: Plan sufficient time before this date to get buy-in from necessary decision-makers, get review from your Purchasing department, etc.>

Site Visit (to be arranged)

Weeks 2-4

<Note to Customer: Allow at least 10 to 14 days from time RFP is issued to allow ESCOs to meet the schedule; allow more time for large university-type projects.>

Written inquiries accepted by prospective ESCOs

Week 4-5

<Note to Customer: This is a necessary step to clarify any questions for responding ESCOs. Check with your Purchasing department for any required time period.>

Proposals Due

Week 6

<Note to Customer: Refer to your purchasing policy for the minimum time RFPs must be advertised.>

Proposal Review and Selection of Finalists

Week 6-7

<Note to Customer: Set a date in advance for your proposal review committee to spend a day reviewing proposals, so proposals can be reviewed within a few days of receipt.>

ESCO Interviews

Week 7-8

<Note to Customer: You can justify a very short notice for interviews if you state the interview date in the RFP.>

ESCO Selection and Award

Week 8

<Note to Customer: Consider time needed for Board approval, if necessary, or official announcement.>

Technical Energy Audit Phase

RFP for Energy Performance Contracting Services

Attachment B: Proposed Project Schedule

Contract Negotiation

Weeks 9-11

<Note to Customer: Allow two weeks for negotiations. Reserve time to negotiate cost markups as maximum markups were given in the proposal response. Also negotiate the scope and level of the audit. Otherwise, this contract is simple and straightforward.>

Board approval and signatures to execute contract

Week 12

<Note to Customer: Allow sufficient time based on past experience with contracts in your department.>

Audit, Final Report and Presentation

Weeks 11-22

<Note to Customer: Allow time for several meetings during this process, so that there is sufficient discussion for agreement.>

Energy Performance Contract Phase

Negotiation and Documentation

Weeks 23-30

<Note to Customer: It is very important to allow sufficient time to review the contract and meet several times with the ESCO to ensure thorough understanding of contract elements, to discuss and negotiate project scope and costs, and to fully document the contract to incorporate project schedules, maintenance agreements, and other project-specific documents. Its time well-spent, as a thorough understanding and documentation of expectations could avoid future conflicts.>

Board approval and signatures to execute contract

Weeks 31-34

<Note to Customer: Allow sufficient time based on past experience with contracts in your department. To save time, request legal review and approval during the RFP stage.>

Installation

To be negotiated

Commissioning/Monitoring Phase

Commissioning

To be negotiated

Monitoring

To be negotiated

Staff Training

To be negotiated

Other

To be negotiated

Proposed Contract Term

Year __ to Year __

Note: This schedule is subject to change.

ATTACHMENT C: ESCO RESPONSE

GENERAL INFORMATION

Refer to “Administrative Information” in the body of the RFP for an overview of the process.

For further information, please contact: *<Name of contact person>, <Address>, <Phone>, <Fax>, <e-mail>*

Due Date:

Proposals must be *received* at the below address on or before *<Date>* by *<Time>*.

Late proposals will not be accepted.

Submit Proposal

Prepare responses to “ESCO Profile & Approach to Project” (see below).

Quantity: *<Number (__); One for each review committee member>*, including original.

Clearly mark one proposal as “ORIGINAL”.

Submit Sample Technical Energy Audit (as described below)

This sample should be representative of the type of facility and the type of audit that will be conducted. The sample audit must have been conducted by a member of the team proposed for this project. Clearly state which member(s) of your project team conducted the audit.

Quantity: one (1) copy *<request more if desired, but it is generally recommended that the evaluation team share this document due to its size>*

Delivery

Postal Address:

To: *<Customer>*

Attention: *<Contact Person>*

Mailing Address: *<Complete mailing address>*

Address for overnight or hand-delivery:

To: *<Customer>*

Attention: *<Contact Person>*

Delivery Address: *<Physical Address for overnight delivery service or hand delivery>*

ESCO PROFILE & APPROACH TO PROJECT

- *An electronic copy of this RFP section is available for easier preparation.*
- *Answer all questions or state “N/A” if not applicable.*
- *Please number and re-state each subheading or question, followed by your response. This improves clarity and makes it much easier to evaluate your proposal.*
- *Number all pages.*

1. Qualifications And Capability

a. General Firm Information

- (1) Type of Firm (corporation, partnership, sole proprietorship, joint venture)
- (2) Year Firm Established. Number of years has your firm been in business under its present business name
- (3) Other Firm Names. Indicate all other names by which your organization has been known and the length of time known by each name.
- (4) Parent Company. If applicable, state name, address, former name if applicable, tax identification number
- (5) Participating Division or Branch Offices. State division or branch offices that will participate in the development of the proposal, in its evaluation process, and/or in the conduct of any services provided (office name, and address).
- (6) Submittal. Submittal is for (parent company, subsidiary, division, branch office)

b. Experience of Firm

- (1) Years in Energy Business. State the number of years your firm has been involved in the energy-efficiency related business. State the number of years your firm has offered performance contracting services.
- (2) Number and Value of Contracts. Indicate the number of energy savings performance contracts actually implemented by your firm, each year for the past 5 years. Indicated the associated dollar value. (NOTE: If this response is submitted by a branch office or division of a parent company, indicate the number of projects that have been managed directly by the specific branch or division.)
- (3) Full-Time Personnel. Indicate the number of full-time personnel employed by your firm.
- (4) NAESCO Accreditation and other Pre-Qualifiers. Is your firm accredited by NAESCO? Is your firm pre-qualified for work through the U.S. Department of Energy or U.S. Department of Defense? Describe the relevance or importance of any accreditations or pre-qualifications with regard to this project.

c. Scope of Services

- (1) Types of Services. Summarize the scope of services (auditing, design, construction, monitoring, operations, maintenance, training, financing, etc.) available from your firm.
- (2) Expertise in Systems. Describe your ability to offer services to upgrade HVAC, controls, lighting, renewables, pools, kitchen, laundry and other systems.
- (3) Provision of Financing. Describe general ability and approach to help with financing. Describe ability to ensure low rates.

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Attachment C: ESCO Response

- (4) Provision of Insurance. Generally describe your capability to secure insurance policies.

d. Financial Soundness

- (1) Financial Statement. Attach your firm's most recent financial statement or annual report for each of the last three years.
- (2) Statement of Financial Conditions. Attach the most recent annual Statements of Financial Conditions, including balance sheet, income statement and statement of cash flows, dated within the past twelve (12) months. Provide the name, address, and the telephone number of firm(s) that prepared the Financial Statements:
- (3) Accounting Firm Information. If these financial documents were not produced in-house, indicate the name, address and phone number of the firm(s) that prepared these financial statements.

e. Attachments for "Qualifications and Capability of Firm" Section

Label Attachments and list here including Attachment Name, Description and Location in RFP Response. Insert attachments here at the end of this section, or include elsewhere in a clearly marked location for easy reference.

2. Experience And Expertise

a. Project History.

Briefly describe all energy performance contracts or related projects that *your* firm has managed within the last three (3) years. Identify project references that involve buildings similar in type, size or scope to the building(s) described in the technical appendices and in similar types of locations (rural or metropolitan).

If this response is from a branch office or division of a parent company, please provide project histories for those that have been managed directly by the specific branch or division.

Projects that have been managed by individuals who will be specifically assigned to this project should also be included and identified.

If you include projects/contracts managed by team members or subcontractors or by your employees while employed by other firms, ***clearly indicate*** the name of the company that was responsible for the project.

Include the following information on each project (*no preferred format*):

Project Identification. Name of project owner, type of project (hospital, k-12 school, university, office building, etc.), location (city, state).

Project Dates. Actual construction start and end dates

Project Size. Number of buildings, total square footage, total contract amount and the total project capital cost.

List of Improvements. Type of retrofits and operational improvements related to energy, water and other cost savings.

Savings

RFP for Energy Performance Contracting Services

Attachment C: ESCO Response

Projected Annual Savings. State the projected annual energy, water and O&M savings (Therms, kWh, kW, Gallons, etc.). (See sample form below.)\

Guaranteed Savings. State the amount of the guarantee (see sample form below). Also describe how the guarantee functioned and if your firm was required to pay funds to meet the guarantee.

Actual Annual Savings. State the actual annual energy, water and O&M savings (Therms, kWh, kW, Gallons). Also describe if savings were measured or stipulated. (See sample form below.)

Contract Terms. Type of contract (shared-savings, lease purchase, guaranteed savings), contract term, and financing arrangement.

Source of Funds. Source of funds used for the project. If applicable, describe your firm's role in securing funds.

Technical Design Personnel. Include name(s) of primary technical design personnel.

Project Schedule. Indicate if the project was completed on schedule. If not, please explain.

Comments. Comment on any special features, services, conditions, etc.

References. Names and contact information of owner(s)' representatives who can serve as references.

b. **Personnel Information.**

- (1) Qualifications and Experience. Describe the number and quality of staff you currently have to conduct technical analysis, engineering design, construction management, construction, training and post-contract monitoring. If needed, refer to resumes in the "Site Specific Project Information" section below.
- (2) Areas of Expertise. List all areas of expertise related to potential energy and water improvements in facilities. Also describe the professional and skilled trades that your firm customarily performs with employees.
- (3) Technical Qualifications. Point out your firm's technical qualifications.
- (4) Subcontractors. Describe the nature of work generally conducted by subcontractors.

c. **Attachments for "Experience and Expertise" Section**

Label Attachments and list here including: Attachment Name, Description and Location in RFP Response. Insert attachments here at the end of this section, or include elsewhere in a clearly marked location for easy reference.

3. **Technical Approach**

a. **Audit**

- (1) Technical Site Analysis. Describe your general approach to auditing a facility. What is involved? How is customer involved? Methodical approach? Level of expertise involved? Information and resources needed from customer?
- (2) Sample Technical Audit. Submit a sample technical audit conducted by your firm for a similar project (as directed in the Proposal Submittal Information). This audit must include detailed energy and economic calculations.

RFP for Energy Performance Contracting Services

Attachment C: ESCO Response

- (3) Sample Technical Energy Audit and Project Development Contract. Describe any modifications you recommend or require regarding the Technical Energy Audit and Project Development Contract in this RFP.

b. **Design/Construction**

- (1) Engineering Design. Describe your firm's approach to the technical design of this project.
- (2) Standards of Comfort. Describe standards of comfort and functionality that are generally used for light levels, space temperatures, ventilation rates, etc. in the intended facilities.

c. **Engineering Analysis**

- (1) Baseline Calculation Methodology. Describe in detail the methodology your firm normally uses to compute baseline of energy and water use as well as performance.
- (2) Adjustment to Baseline Methodology. Describe the method(s) used to adjust the energy, water and O&M baseline due to such factors as weather and facility use changes. Describe factors that would necessitate adjustment. Refer to **Attachment E: Technical Facility Profile** and address issues regarding buildings projected to have substantial changes in use.
- (3) Savings Calculations. List all procedures, formulas and methodologies including special metering or equipment, which your firm will use to calculate energy, water and O&M savings. Include assumptions made in the calculations.
- (4) Dollar Savings Calculations. Describe the procedure to assign dollar values to the savings. Include energy savings as well as maintenance or material savings.
- (5) Cost Savings Guarantee Calculations. Describe your firm's procedures and schedule for measuring financial performance of projects. Describe how the guarantee provisions work in the event that project results vary from projections. Also describe how excess savings can be documented.
- (6) Billing and Invoices. Describe your standard billing procedures and attach a sample invoice.

d. **Attachments for "Technical Approach" Section**

Label Attachments and list here including Attachment Name, Description and Location in RFP Response. Insert attachments here at the end of this section, or include elsewhere in a clearly marked location for easy reference.

4. **Performance Contracting Approach**

a. **Approach**

- (1) Differentiation of Your Firm. Describe particular characteristics of how your firm approaches performance contracting.
- (2) Management. Briefly describe your firm's approach to management.
- (3) Model Performance Contract Agreement. Describe any modifications you recommend or require regarding the model energy performance contract. Note that **Attachment A: Special Terms and Conditions** identifies specific terms that will be incorporated into the model contract agreement. *<Note to Customers: ESCOs have their own contracts but it is highly recommended to use the sample Contract as it ensures thorough documentation to avoid potential pitfalls.> <Note to State Agencies Issuing RFPs: State agencies will use a state-issued contract.>*

b. Other Services

- (1) Training Provisions. Describe your firm's capabilities in providing technical training for facility personnel and experience on past projects. Describe your firm's involvement in developing training manuals for facility staff.
- (2) Performance Guarantee. Describe your firm's approach to the performance guarantee. Is it required? When is it recommended for the guarantee to be dropped? Does the guarantee cover the annual monitoring & verification and maintenance contract costs?
- (3) Monitoring and Verification. Describe the methodology proposed for ongoing monitoring and savings verification of each recommended project's performance, including the frequency of such efforts. Note if an industry standard such as the *International Monitoring and Verification Protocol* is used and describe the preferred method.
- (4) Maintenance Contract. Describe the types of services that can be included in the maintenance contract. Comment on whether Customer's maintenance staff can perform some of these duties if desired, and describe any impact on the guarantee. (These duties could include programming and maintaining the control system, installing lighting retrofits, maintaining HVAC equipment, etc.). Describe your firm's flexibility in terminating the guarantee. Describe the required length of the maintenance contract and the relationship with the guarantee in the event that Customer chooses to terminate the maintenance contract prior to the end of the performance contract.
- (5) Project Financing. Describe your firm's preferred approach to providing or arranging financing for the proposed project. Describe the mechanics of the financing arrangement, including equipment ownership, responsibilities/liabilities of each party, security interest required and any special terms and conditions that may be associated with the financing this project. Please comment on how you would work with Customer to utilize tax-exempt financing if appropriate, or other methods to keep financing costs to a minimum.
- (6) Energy Star Label. Describe your willingness and experience/capability to provide services and prepare an application to achieve the Energy Star Label on retrofitted buildings.
- (7) Emissions Reductions Reporting. Describe your willingness and experience/capability to calculate and report emissions reductions.

c. Construction Issues

- (1) Environmental Liability. State your firm's position with respect to the acceptance of liability for any hazardous materials encountered during the course of the project. If the firm is willing to accept any level of environmental liability, state the level and provide a cost analysis.
- (2) Equipment Ownership and Service Responsibility. Describe the status of equipment ownership and service responsibility at contract expiration.
- (3) Warranties. State the nature and term of typical warranties.

d. Standardized Contracts

Confirm that you will use the **Model Technical Energy Audit (Attachment F)** and the **Energy Performance Contracts (Attachment G)** as a basic contract to customize for this project. Or, state any objections you have.

RFP for Energy Performance Contracting Services

Attachment C: ESCO Response

e. Attachments for “Performance Contracting Approach” Section

Label Attachments and list here including Attachment Name, Description and Location in RFP Response. Insert attachments here at the end of this section, or include elsewhere in a clearly marked location for easy reference.

5. Site-Specific Approach

a. Project Scope

- (1) Types of Services. Summarize the scope of services (auditing, design, construction, monitoring, operations, maintenance, training, financing, etc.) offered for this project.
- (2) Potential Projects. Based on your preliminary assessment of the information provided, describe any equipment modifications, installations or replacements at the facility that your firm would consider installing as a part of this project. Address energy, water and operation and maintenance opportunities. Also describe any special features, renewable technologies, or advanced technologies that might be applicable. Describe any special features or services associated with your proposed improvements that would add value to Customer. Describe your approach to achieve compatibility (such as open systems) and/or standardization of equipment in the facilities to be addressed.
- (3) Benefits. Describe the specific benefits your firm can offer.

b. Relevant Experience to Apply to This Site

- (1) Areas of Expertise. List all areas of expertise related to potential energy and water improvements in facilities. Include specialized areas of expertise in areas that might be relevant to the project (swimming pools, laboratories, renewable energy system application or rehabilitation, daylight design, etc.) Also describe the professional and skilled trades that your firm customarily performs with employees.
- (2) Experience in Similar Projects. Identify projects your firm has completed that are similar in size, scope, facility type, and retrofit opportunity and present as follows:
Estimated size of this project (square footage): _____
Number of similar-sized projects completed
In the US: _____
In a multi-state region including this state: _____
In this state: _____
Number of similar type projects completed (building type): _____
Reference projects in the “Experience and Expertise” section if needed.

c. Project Management

- (1) Management Approach. Briefly describe your firm's approach to managing this project.
- (2) Qualifications and Experience of Staff Assigned to this Project. Identify the individual who will have primary responsibility for each task and phase of the project. List name, title, intended role and responsibilities for the duration of the contract, educational background, specific qualifications related to role and responsibilities, past relevant experience, number of years of relevant experience, supervisory responsibilities if relevant, list of projects individual was associated with during the last five (5) years including type of project and project cost and resume. Tasks and phases to address include technical analysis, engineering design, construction management, construction,

RFP for Energy Performance Contracting Services

Attachment C: ESCO Response

training and post-contract monitoring. Indicate the percent of time each person is available to work on this project.

- (3) Subcontractors. Describe the nature of work that will likely be conducted by subcontractors. Describe your willingness to use local subcontractors or subcontractors specified by Customer.

d. **Technical and Construction Issues**

- (1) Construction Management. Describe how your firm would work with current building management and maintenance personnel in order to coordinate construction and avoid conflicts with the building's operation and use. Describe your flexibility and/or any limitations regarding possible Customer activities such as: management of additional energy and water projects, monitoring of installation and performance of ESCO projects, integration of other identified capital needs with ESCO projects which may or may not contain energy and water saving opportunities.
- (2) Project Schedule. Propose a preliminary project schedule.
- (3) Operations and Maintenance. Describe any major changes in operations or maintenance of the facilities that your firm foresees based on the information provided. Briefly describe the maintenance responsibilities of your firm and Customer. Describe how your firm would provide appropriate training in operations and maintenance of installed improvements.
- (4) Standards of Comfort. Describe standards of comfort and functionality that you would propose for light levels, space temperatures, ventilation rates, etc. in the intended facilities. Also describe how those standards will be maintained throughout the contract term.

e. **Attachments for "Site Specific Approach" Section.**

Label Attachments and list here including Attachment Name, Description and Location in RFP Response. Insert attachments here at the end of this section, or include elsewhere in a clearly marked location for easy reference.

6. **Cost and Pricing**

a. **Cost of Audit.**

- (1) Describe your approach to auditing a facility. Ensure that your approach is consistent with the approach and requirements included in **Attachment F: Sample Technical Energy Audit and Project Development Contract**, unless exceptions were noted above.
- (2) State the total fixed cost of the technical energy audit.
- (3) State the cost per square foot of the audit.

This cost will be evaluated on the basis of reasonableness, so an unrealistically high or low cost will be devalued in the evaluation process. The audit cost will be the reimbursable cost if no performance contract is negotiated after completion of the Technical Energy Audit.

- b. **Markup Costs and Fees.** Markup costs are disclosed to provide a typical project costing approach for a project of similar scope and size. The markups will also be used in the Technical Energy Audit Contract and subsequent Energy Performance Contract. Markups can

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Attachment C: ESCO Response

be negotiated downward. A substantial change in the scope and size of the project may necessitate renegotiation of the markups.

- (1) Provide markups for each category you use in your pricing structure (categories may include but are not limited to: overhead, profit, markups on subcontractors, equipment/supplies/rentals, self-performed work, design, construction management, warrantee, commissioning, monitoring and verification, contingency, training, or any other markup category used by ESCO.) (ESCOs will further qualify these markups in the “Best Value” section below.)
- (2) To clarify the use of these markups, describe how each markup is applied, when it is used, etc.
- (3) Include two hypothetical examples to show how each of the markups are applied: i) a standard lighting upgrade and ii) typical boiler replacement (or other large equipment of your choice).
- (4) If contingency is a category, describe how excess contingency dollars will be used.

c. **Other Costs.** Describe other costs such as maintenance and monitoring agreements and describe how they may be applied. Also point out if these are annual costs and if they are required each year of the contract.

d. **Best Value.**

- (1) Describe how your approach to performance contracting delivers best value for the investment. This is an opportunity to point out how your company may be able to deliver a more cost-effective overall project due to corporate structure, relationships with vendors, depth of experience and expertise, local relationships and experience, experience in similar types of facilities, knowledge of particular retrofits, etc.
- (2) Describe any utility rebates or other incentives that you can potentially provide and/or facilitate.

e. **Open Book Pricing.** Describe your firm’s approach and experience in providing open-book pricing. Note that open book pricing is required, including open book pricing of itemized costs from subcontractors and vendors.

f. **Attachments for “Cost” Section.**

Label Attachments and list here including Attachment Name, Description and Location in RFP Response. Insert attachments here at the end of this section, or include elsewhere in a clearly marked location for easy reference.

ATTACHMENT D: EVALUATION CRITERIA

The criteria listed below will be used to evaluate written proposals and the subsequent interviews. The scoring weight is listed for each criterion.

These criteria will be applied and interpreted solely at the discretion of Customer. Proposals should include all necessary information that is pertinent to these evaluation criteria. Additional information required for proper assessment of proposals may be requested from the ESCO at the discretion of Customer.

The Evaluation Team recognizes it is premature to place a major emphasis on projected financial benefits prior to the completion of the Technical Energy Audit, because the Audit will define the potential scope and cost benefit. Therefore, the most emphasis will be on qualifications and less emphasis will be placed on the cost information.

The criteria are not ranked in order of importance. The sub-criteria are of approximate equal weight.

1. QUALIFICATIONS AND CAPABILITY (Scoring Weight: 10 %)

- a. **General Firm Information.**
- b. **Experience of Firm.** General experience in energy-related and performance contracting services.
- c. **Scope of Services.** Comprehensiveness of management, maintenance and monitoring services offered.
- d. **Financial Soundness.** Financial soundness and stability of the ESCO. Completeness and strength (financial viability) of most recent annual financial statements.

2. EXPERIENCE AND EXPERTISE (Scoring weight: 20%)

- a. **Project History.** Quality of past projects completed with respect to scope and documented savings.
- b. **Personnel Information.** Qualifications and relevant experience of the staff in engineering, project management and other areas of importance.

3. TECHNICAL APPROACH (Scoring Weight: 10%)

- a. **Audit.** Quality of the sample technical audit, as completed by the person(s) responsible for project technical design.
- b. **Design/Construction.** Overall approach.
- c. **Engineering Analysis.** Reasonableness of methodologies to determine the baseline and savings.

4. PERFORMANCE CONTRACTING APPROACH (Scoring Weight: 10%)

- a. **Approach.** Overall approach to performance contracting, and needed contract adjustments.
- b. **Other Services.** Full range of services and flexibility in applying those services.
- c. **Construction Issues.** Ways of handling environmental liabilities, warranties and equipment service.
- d. **Standardized Contracts.** Willingness to use state-approved contracts.

5. SITE SPECIFIC APPROACH (Scoring Weight: 20%)

- a. **Project Scope for This Project.** Understanding of existing building conditions, systems and operation and maintenance projects. Responsive to strategies in adapting control strategies, equipment and maintenance practices in response to changes in utility rates, technology, and building conditions in order to enhance project performance. Comprehensiveness and clarity of the technical approach to this project based on improvements likely to be included. Relevance and benefits of proposed retrofits for these facilities.
- b. **Relevant Experience to Apply to This Site.** Relevance and documented savings of past projects completed that are similar in size, scope, and building type.
- c. **Project Management for This Project.** Management approach and relevant qualifications of key personnel assigned to the project involved in technical auditing and design, project management and construction, with respect to the size, scope and building type of this project.
- d. **Technical and Construction Issues.** Construction management, scheduling, operation and maintenance approach, approach to compatibility/openness/standardization of equipment, standards of comfort and provision of insurance.

6. COST AND PRICING (Scoring Weight: 30%)

A qualifications-type analysis will be used to evaluate costs, with an emphasis on the approach to pricing and reasonableness of pricing. This will involve a combination of “price analysis” and “cost analysis” such that the project evaluation team will use judgement, knowledge and experience to determine reasonableness and consistency, and to evaluate costs based on established catalog and market prices, historical prices and independent cost estimates.

<Note to Customers: This element can be eliminated so this RFP is solely qualifications based, if desired. In that case, it is important to establish markup costs prior to entering into any agreement.>

- a. **Technical Energy Audit Phase: Cost of Audit.** Cost of the Technical Energy Audit for the proposed scope of buildings. This cost will be evaluated on the basis of reasonableness for the size and scope of the project. An unrealistically low cost will be devalued.

For purposes of evaluation, the following buildings will be audited: *<Note to Customer: List all buildings that could potentially be audited and verify that square footage, use of building and other information is included in Appendix: Technical Facility Profile. Later negotiation may streamline this list.>* Customer reserves the right to reduce the scope.

<Note to All Customers: The energy audit is only a small fraction of overall cost so is not a true indicator of project costs. Beware of abnormally low costs here.>

- b. **Construction/Installation Phase: Markup Costs.** Consider reasonableness of markup costs. The markup costs are disclosed for two purposes: 1) to illustrate typical project costing approach for a project of similar scope and size and 2) to establish costs for use in the subsequent technical energy audit. They are evaluated for the purpose of award and may be negotiated during contract negotiations based on the scope and magnitude of the project. These rates will be expected to be used in the Technical Energy Audit and subsequent

RFP for Energy Performance Contracting Services

Attachment D: Evaluation Criteria

Energy Performance Contract, however, scope and size of project may change and necessitate a change in the markups provided below. “Cost analysis” will be used to evaluate the markups for reasonableness. ESCO may use different customized categories or present an alternative pricing structure.

Further consider reasonableness in the example and description of how markups are applied.

- c. **Other Costs.** Assess this in terms of added value.
- d. **Best Value.** Value for the investment.
- e. **Open Book Pricing.** Experience and willingness to provide open-book pricing.

ATTACHMENT E: TECHNICAL FACILITY PROFILE

<Note to Customer: The energy service companies (ESCOs will need a description of the facilities in order to decide whether to respond to the RFP. Use any format you wish. Only include information that is readily available in order to expedite the RFP process. At the minimum, include “Building List” and the minimum recommended portions of the “Energy and Water Consumption and Cost Information” section.>

The information in this technical facility profile is provided to inform the ESCO about the condition of the facilities. The information was prepared with diligence. The ESCO is responsible for verifying the accuracy, as necessary.

Building List

- List of Buildings (include **all** buildings that could be potential candidates either now or in the future; you can always scale-back the project scope during contract negotiations if desired). List only those buildings where you pay the utility bills and have responsibility for upgrades. Include:
 - Name of building
 - Total square footage of conditioned space.
 - Primary use of building (school, office, etc.)
 - Year constructed
 - Year of any major modifications, additions or renovations (briefly describe)
 - General location of buildings if not all are in one city or one “campus”

Energy and Water Cost & Consumption Information

- List the present utility companies that provide electricity, gas, water, etc.
- Is natural gas or propane used? If propane, is natural gas available in the area?
- Provide energy use information as available: At a minimum, include *annual costs* for each of the main buildings (preferably itemized by electricity, natural gas, water, etc.). *If available*, include *monthly* consumption and cost information for electricity (kW, kWh, \$), gas (ccf/therms/gal, \$), water (gal, \$), etc. for the past one-year period for each of the major buildings. If monthly information is not readily available, attach copies of utility rate schedules that apply to the facilities or include a sample utility bill for electricity, gas, etc. for each facility or meter from a winter month and summer month. If under contract for natural gas, provide the fuel purchase agreement and a monthly price history, if available.

Past Energy Improvement Efforts

- Describe any major energy-related changes made during the past ten years (boiler/chiller replacements, other heating/cooling modifications, cooling additions, energy management control installation/upgrade, T8/electronic ballast lighting upgrades, ventilation improvements, etc.).
- State if any energy audits were conducted in the past 5 years and if the information is available.

Future Plans

- Describe any major change planned to occur (additions or renovations; lighting upgrade, major equipment replacement; decommissioning, demolition or sale; significant change in function or hours of operation in the next 10 years; change in function of building such as from classrooms to offices, change in hours of use such as year-round to seasonal operation).
- Describe funding available, planned or anticipated for these improvements.

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Attachment E: Technical Facility Profile

- Describe any building improvements that you would like to investigate during this project.

Energy-Using Systems Description

- **Heating System:** Briefly describe the types of heating systems serving your buildings (boiler, furnace, rooftop unit, etc.). Also describe the distribution system that delivers heated/cooled air to the rooms (forced air, water, etc.) Describe the age and condition.
- **Cooling System:** Briefly describe the type of cooling system serving your building (chiller, roof-tops, etc.). Describe the age and condition.
- **Controls System:** If you have a controls system to control space temperatures and heating and cooling equipment, please describe its capability (what is controlled), type (pneumatic compressed air system, direct digital control system), condition, manufacturer name and model, and approximate year installed.
- **Lighting System, Interior:** Describe extent of replacement of fluorescent systems to T8 lamps and electronic ballasts.
- **Water Heating System:** Describe your domestic water heating system. Is it part of the space heating system?
- **Other Energy-Using Systems** (laundry, kitchen, laboratory, solar system, swimming pool, spa, ice rink, etc.)
- List any added water use such as showers, laundry, irrigation, etc.

Operating Information

- Describe the typical hours of operation for each facility (weekday, weekend, seasonal). In other words, when are the lights on and when is the heating/cooling system operated?
- Describe the janitorial hours (during occupied hours or after hours?)
- Describe when cooling systems are used and in which buildings

Maintenance Practices

- Describe the general maintenance practices (preventive maintenance plan used, skilled or low-skilled maintenance staff, good or poor funding for maintenance, much or little deferred maintenance, etc.)
- Describe any known maintenance problems and/or needs associated with deferred maintenance. Include comfort problems.

RFP for Energy Performance Contracting Services
Attachment F: Technical Energy Audit & Project Development Contract

ATTACHMENT F: Technical Energy Audit & Project Development Contract

OVERVIEW:

This Contract for Technical Energy Audit & Project Development is the first of two contracts with the selected ESCO. The ESCO will complete an investment grade technical energy audit that will include an analysis of each proposed project with projected energy and cost savings and itemized project cost. The ESCO will also propose terms for the performance contract and present a proposal that includes recommended projects, financing term and projected annual cash-flow analysis. The results of the audit will form the basis for a subsequent Energy Performance Contract.

Find the model contract at: <http://www.escperform.org/documents/3-Audit.doc> (or, www.escperform.org, click on “Documents” and see “Performance Contracting Procurement Contracting Documents” section. Download “Step 3: Contract for Technical Energy Audit and Project Development for Energy Performance Contracting Services.” If you have difficulties, contact Michael Army, ESC Executive Director, at 608-255-0988.

RFP FOR ENERGY PERFORMANCE CONTRACTING
Attachment G: Model Energy Performance Contract

ATTACHMENT G: Model Energy Performance Contract

OVERVIEW:

This Energy Performance Contract is for design, construction, guarantee, and follow-up monitoring of energy-saving projects. An energy audit was previously completed that identified the costs and savings of each project. The audit provides the basis to develop and negotiate this Energy Performance Contract.

Find the model contract at: <http://www.escperform.org/documents/4-Contract.doc> (or, www.escperform.org, click on “Documents” and see “Performance Contracting Procurement Contracting Documents” section. Download “Step 4: Model Energy Performance Contract.” If you have difficulties, contact Michael Arny, ESC Executive Director, at 608-255-0988.